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Heck's Turnaround Strategy Tripped by Accounting Slip

(Continued from page 1)

ing "too damn automated."

"We had a temporary, very temporary, inventory buildup in basic warehouse-type goods, which we are addressing," said Isaacs in an interview with *DSN*. "There will be substantial relief in 60 to 75 days. Over the 60- to 75-day period, we will work off that excess inventory—it's in everyday goods. That's where the glitch came in the systems. It was in automatic replenishment of warehouse goods."

In a prepared statement issued later, Isaacs said that the accounting error produced "a temporary setback in our efforts to return the company to a strong, profitable operation. We remain firmly committed to the program we have developed for the company, a program that we believe had begun to show positive results earlier in 1985."

Those positive results should have been amplified by the latest Heck's prototype, a 60,000-sq.-ft. store in Proctorville, Ohio, with refined POS systems and an improved softlines presentation. But Heck's never had time to bask in the glow of that new store opening. For five days prior to the announcement of the accounting problem, Isaacs visited the 10 banks which hold most of the company's debt.

"We have 1000% support from all of our lenders. They are offering to not only roll over, but to increase lines outstanding, but we don't need any money," Isaacs said.

Isaacs declined to discuss the personnel changes which would take place in the accounting department as a result of the problem and would only say, "Some people might be leaving us."

Looking around the new store in Proctorville, Isaacs expressed confidence in the gains the chain has made.

"We are going from way behind to way ahead. We have all the parts to make success. The payoff is near."

How near? That is the question some retail analysts are asking.

"They are going to have to do something to generate earnings in the next couple of quarters or people are going to forget them," said Terence McEvoy of Smith Barney.

McEvoy sees potential for earnings and describes recent sales as "decent," but he said Heck's will lack Wall Street's confidence until the numbers improve.

"They're back to square one in terms of credibility. The jury is still out," he said.

What kind of potential does Heck's have? Ford, the analyst with Investment Group of Virginia, believes the company could produce 2% after-tax earnings by 1987.

And how do vendors feel? The national sales manager for one long-time hardlines Heck's account said, he too feels the company has excellent potential. But the chain is fighting an inventory problem that goes beyond the recent accounting snafu and is a result of buyers being spread too thin.

"Their buyers are always problem solving, trying to get out of over-inventory situations by promoting. They get four to six months behind the industry because of overbuying," said the vendor.

Discounters Post Mixed Earnings

(Continued from page 3)

Zayre said it expects to add five million sq. ft. of retail space this year to the 34 million sq. ft. it already operates.

K mart earnings from continuing retail operations were $471.2 million compared with $498.7 million for the prior year, a 5.5% decline. Comparable sales of K mart stores were down 0.4% for the 52-week period, but gross margins improved because of fewer markdowns this year resulting from better inventory controls.

Earnings at Rose's and Bradlees also declined as sluggish sales produced intensive promotional activity which hurt gross margins. Rose's net income slipped 15% to $20.3 million on an 8.8% sales gain.

"Stronger sales would have produced a higher gross margin and a lower-expense-to-sales ratio," said Rose's chairman L. H. Harvin, III.

Bradlees operating profits slipped to $30.7 million from $85.2 million, and parent company Stop & Shop has identified a turnaround at Bradlees as the most important issue facing it. The company plans to sell two other general merchandise divisions, Medi-Mart Drug Stores and Perkins Tobacco Shops, to free up money to help Bradlees get back on track, according to Stacy Ruchlamer, financial analyst at Shearson Lehman Brothers.

Analyst Jeffrey Edelman, of Dean Witter Reynolds Inc., noted that if there is one pattern to this year's earnings performance among discounters it is that those chains which have aggressively added new stores over the past few years have fared the best. Those chains, like Wal-Mart, benefited from having a substantial number of stores less than five years old—stores which produce better year-to-year results than older units.

Stanley H. Iverson of the Chicago-based Duff & Phelps said of 1985, "It was a tougher year than merchants expected." He pointed out that the economic recovery passed over some large pockets in the Midwest and the Southwest that continue to suffer through a slumping economy.

Iverson singled out West Coast sales as particularly disappointing. He believes lower consumer demand may be due to the impact new car purchases have had on budgets.

As for 1986, "January and February have been dull," he said, "but spring will bring improvement."

McCrory Pares Down T.G. & Y.

(Continued from page 1)

trading area, that is, within 300 and 350 miles of its headquarters in Henderson, N.C.

Other chains which have been mentioned as possible suitors for T.G. & Y. stores include K mart, Wal-Mart and Zayre, although no one has confirmed interest in the stores. Wal-Mart is reportedly looking at T.G. & Y. stores in Georgia and Florida, two areas the company has targeted for aggressive expansion.

Many of the T.G. & Y. discount stores are small by industry standards, averaging 25,000 sq. ft. to 40,000 sq. ft., and that may limit the interest of some chains in many of the sites being closed.

The closing of the 200 stores means that T.G. & Y. is being transformed largely into a variety store operator so that it will fit better with the operations of its parent company. After the closings, T.G. & Y. will still own about 270 discount stores, but McCrory now says that it plans to carve up some of those locations, setting aside enough space for a variety store and renting the rest.

McCrory Chairman Stephen L. Pistner has already said that the company is primarily interested in operating variety stores which fill a void created by the upscaling of traditional discount stores. McCrory remains one of the few successful operators of variety stores.

The 180 headquarters personnel dismissed from T.G. & Y. came from numerous parts of the company, but data processing and buying were reportedly among the largest cuts, according to the *Daily Oklahoman*, a local newspaper. About 50 to 60 people were dismissed in data processing, and nearly half of the layoffs also reportedly came among buyers and marketing and advertising personnel.

The staff cuts and store closings mean that, by October, T.G. & Y., once one of the country's largest retailers, will have reduced its presence in Oklahoma City to just 20 stores and a regional office. The company has been headquartered in Oklahoma City since its inception 50 years ago.

Discount Store News®

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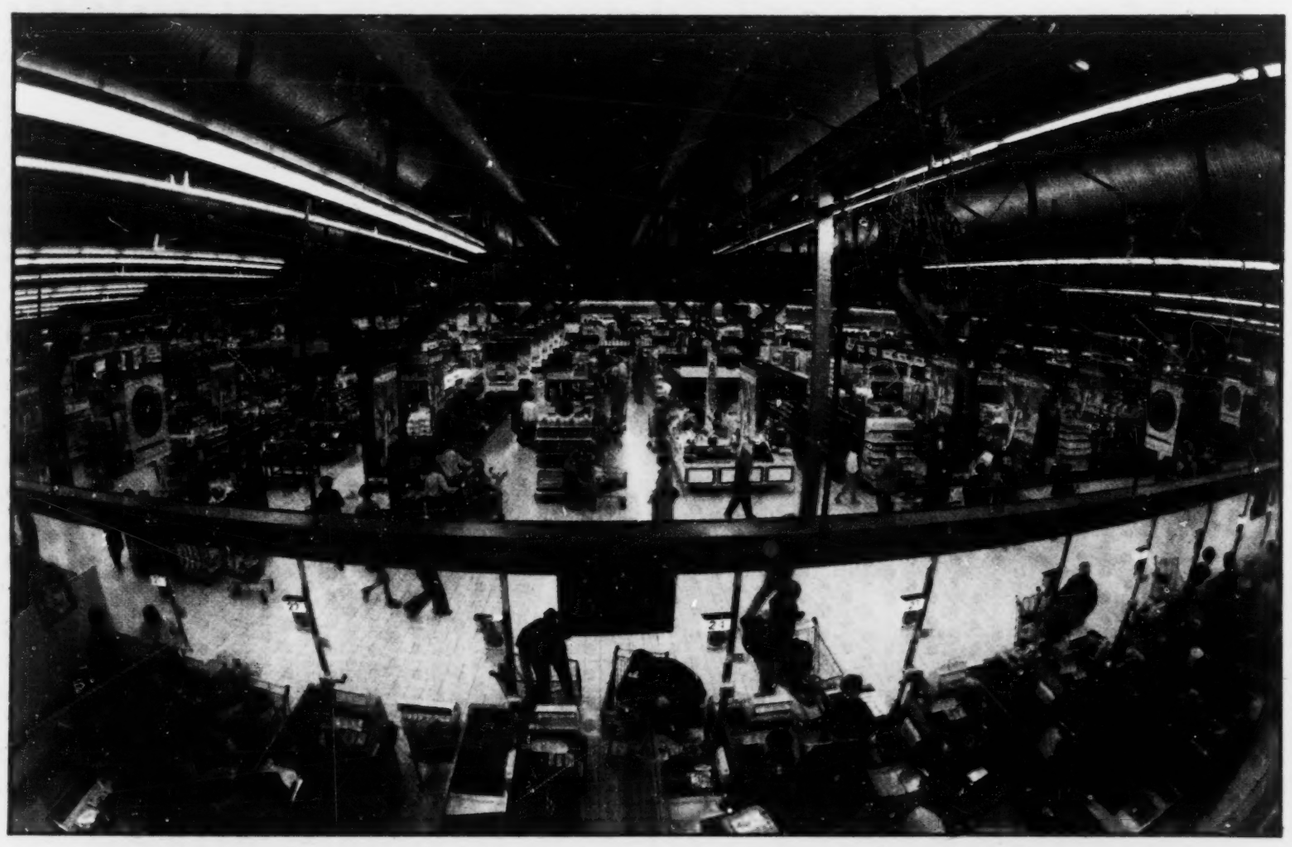
$2 per copy

VOL. 25, NO. 8 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | April 14, 1986



Discounters Tour European Mass Market

Hypermarkets: Venerable fixtures on the European retailing scene pose a potential threat on the United States horizon. Some American discounters cross the Atlantic to view the competition, like Dutch Maxis (above). See story, photos page 27.

Chains Eye Options As Prime Declines

Nationwide DSN Report

The continuing downward push of interest rates promises to give discounters some bottom-line breathing room in a period of modest profits.

Over the short term, discounters are saying most windfalls from declining rates will drop straight to the bottom line. But if the rates stay low, as most forecasters are now predicting, companies are soon likely to begin taking advantage of "cheap money" to refinance old debt, go to the bond market more frequently to retire current principal and lock in money now for expansion plans several years down the road.

"We're net borrowers eight months out of the year," said Arnold Dunn, treasurer at Jamesway, in discussing the impact that declining rates have on retailers. "All of the risky decisions we make to do floating rates makes us financial guys look like heroes in times like this."

The impact that lower interest rates have on a bottom line can be dramatic. As a result of acquisitions and costs associated with its upgrading program, K mart's interest expenses increased from $46.1 million in 1983 to $106.8 million in 1984. Last year, interest expense jumped again, this time to $181.2 million.

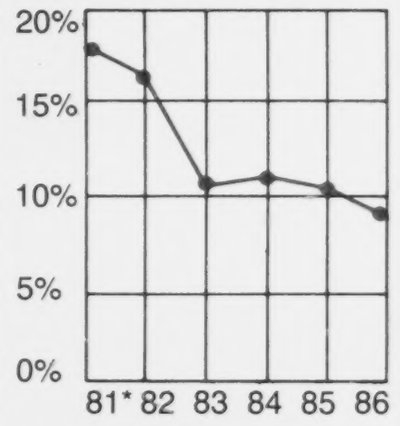
Now, lower interest rates have helped reduce that build-up. In the fourth quarter of the recently completed fiscal year, K mart's interest payments declined for the first time since the first quarter of 1984, mainly because of lower rates.

To take down some of its debt, K mart is considering going to the bond market, which has been surging because of lower interest rates and optimism over declining inflation. Last year, K mart floated several bonds, including one for $250 million over 30 years and a 10-year issue for $150 million.

One distinctive advantage of issuing bonds now is that

(Continued on page 94)

The Prime's Downward Journey



**All figures are prime rate averages for month of March*
Source: Federal Reserve Board

Streamlined SCOA to Focus on Hills Expansion After Leveraged Buyout

CANTON, Mass. — Three months after going private, Hills and its parent company, SCOA, are facing the future with a much more streamlined profile.

The company is selling off its retail shoe operations and its Wilmington Dry Good off-price apparel chain to raise funds to pay off a portion of the interest expenses incurred by the $607 million leveraged buyout. With these moves, the company will be free to concentrate on the Hills discount store operation.

Rudnick, the SCOA division, which runs leased home textiles departments at Hills is being retained.

Management, which now owns a 25% stake in the company, has said they expect the divestitures to generate about $44 million in cash.

Current plans call for the discounter to add about 10 stores annually, on a par with the new store opening schedule of recent years. Major expansion, in the form of an acquisition or start up, will be postponed for several years while management concentrates on whittling down the massive debt it has assumed.

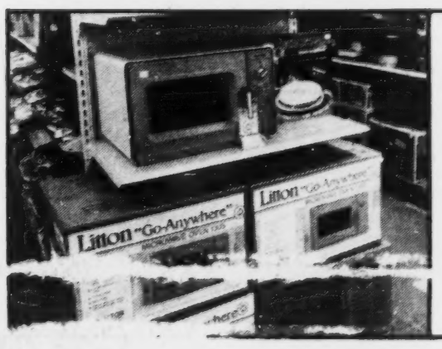
A conservative expansion program was part of the agreement for financing the takover top management made with the chain's banks.

(Continued on page 92)

IN BRIEF

■ On the heels of a 84% sales gain in the recently ended fiscal year, Ames is projecting sales of $1.9 billion for the current fiscal year, according to Ames' chairman Herbert Gilman. That would represent a 25% gain over 1985 sales of $1.5 billion. Earnings for fiscal 1985 were $40.4 million.

■ Consumers Distributing is expected to announce a new management structure for its U.S. division after the resignation of the division's president, Everett Purdy. Michael Haberman, ceo of Canadian-based Consumers Distributing, said Purdy's position will not be filled, but Haberman will take a more active role in the the U.S. division.



Housewares Show Section— Pages 47-74

Howard Executives Propose LBO

MONROE, La. — Top executives of Howard Discount Stores are putting together a leveraged buyout proposal that may be presented to parent company Wickes within days.

Within hours of a Wickes announcement March 20 that Howard's Discount Store chain would be sold, James A. Dismore, Howard's president and CEO, announced a bid by the chain's top management to acquire the 88-store chain.

At stake is a chain that reported $400 million in sales last year and which employs 4,000 people.

Wickes has said it would prefer, as a practical matter, to sell the chain whole rather than piecemeal, but a Wickes spokesman said Howard executives are not being given preferential treatment over other, unidentified retail organizations that have already expressed interest in all or part of the chain.

In addition to Howard's, Wickes is also offering for sale

James A. Dismore

Woman's World Inc., a national chain of 210 clothing stores; Mode O'Day, a franchised women's apparel chain; and Simmons U.S.A. and Simmons International. Wickes said these units had aggregate sales in 1985 of $700 million. Wickes estimates that these divestitures—combined with the previous divestitures of Red Owl Stores Inc., Snyder Drug Stores Inc. and Western Diversified Services—should generate aggregate proceeds of more than $300 million to the company. (Simmons' sales are included only for the period of Aug. 1, 1985 through fiscal year end.)

The task of selling the chain in one piece will be more difficult because of the 200 T.G.& Y. stores being offered for sale by McCrory. There are just two large discount chains that may wish to increase their presence within Howard's market who also have the resources to acquire the entire chain—K mart and Wal-Mart. K mart executives could not be reached for comment, but a Wal-Mart spokesman said the chain is currently not interested in either the Howard sites or those of T.G. & Y. Regional chains such as Rose's and Duckwall-ALCO, whose markets overlap with Howard's, have so far not expressed interest in the stores.

(Continued on page 94)

Maurice Segall

Herbert Gilman

The Readers' Choice

Cast Your Vote for Discounter of the Year

NEW YORK — Who was the discount store executive who did the best job of leading his company in 1985?

The readers of *Discount Store News* will have the opportunity to choose the industry's most successful executive last year as balloting commences for Discounter of the Year.

Five discount store executives have been chosen by the staff of *DSN* for the manner in which they led their companies last year. They are: Bruce Allbright, chairman of Target Stores; Bernard Fauber, chairman of K mart; David Glass, president of Wal-Mart Stores; Paul Kwasnick, president of Mars Stores, and Leonard Luria, president of L. Luria & Son.

This year's winner will join several distinguished discounters on the list of past award winners. Last year's winner was Herbert Gilman, chairman of Ames Department Stores. The previous year, *Discount Store News* readers chose Malcolm Sherman, president of Zayre, as Discounter of the Year.

As in the past, the winner of the Discounter of the Year award will be honored at *DSN's* SPARC (Supplier Performance Award by Retail Category) banquet, August 10, at the Hyatt Regency in Chicago.

Cast your ballot page 4.

The dinner, which recognizes suppliers in 18 product categories, will also honor this year's entry into the Discounting Hall of Fame.

This year's nominees for the Hall of Fame are: Frank Brenton, president of Marshalls; Ames' Gilman; Charles Lazarus, chairman of Toys 'R' Us;

(Continued on page 94)

Home Taping Prompts Senate To Propose Royalty Fee Law

WASHINGTON — Pending legislation on Capitol Hill that would place a federal royalty on blank tapes and recording devices got a boost late last month from the introduction of new anti-piracy technology.

Concern in Congress that the holders of copyrighted music are being robbed of royalty fees by the widespread practice of home taping prompted legislation late last year that proposes to place a five per cent royalty tax on all tape recorders and a one cent per minute royalty tax on all blank cassettes, cartridges and reels.

The bill's author, Senate Patent Subcommittee chairman Charles Mathias (R.-Md.), said the royalty money collected from the tax will be distributed to the owners of copyrighted music by the Copyright Royalty Tribunal. The Maryland Republican said the bill is designed to "ensure that the creators and producers of America's music receive fair compensation for the home taping of their works."

Mathias' bill has sparked strong opposition from representatives of the discount industry, including National Mass Retailing Institute government relations vice president Robert Verdisco, who told *DSN* that if passed, this legislation "will have an impact on the administrative costs to businesses and could create consumer resistance towards purchasing cassettes and tape recorders." Verdisco added that he does not believe the bill would force discount retailers to stop selling audio and recording devices.

During hearings late last month before the Senate Patents Subcommittee, Charles D. Ferris, speaking on behalf of the Audio Rights Coalition which represents retailers and associations such as Sears, J.C. Penney and the National Retail Merchants Association, told lawmakers that home taping is "legal" and the supporters of the bill are trying to change the law.

"Not only is the record industry doing well financially," Ferris said, but "in backing this legislation, the record companies are attacking the very people who have helped them prosper: the hardware manufacturers and record buyers."

(Continued on page 94)

Boardman Trims Catalog, Staff

ALBANY — In an effort to demonstrate to creditors that it can return to profitability, cataloger Boardman Ltd. has closed a showroom in Utica, N.Y., and plans to sell property in Albany and Schenectady, according to the company attorney, Peter Pastore. The cataloger is also re-examining its merchandising thrust in an effort to focus on high-margin goods.

But Boardman has rejected a recommendation from a creditor's committee that it eliminate the catalog aspect of its business and become a traditional retailer.

Boardman had filed for Chapter 11 at the beginning of the year because Chemical Bank refused to continue the company's line of credit. Chemical Bank is considering the renewal of Boardman's line of credit, pending review of a six-month projected profit and loss statement presented to Chemical at a meeting of Boardman's creditors.

One strategy being considered to improve cash flow is trimming the catalog selection to leave only high-margin and high-turn merchandise, said Pastore. The profitable jewelry department will be left more or less intact.

A report was recently sent to members of the creditor's committee—which includes Ajay Enterprises, General Electric and Hoover—ranking the products Boardman offers in the catalog according to profitability. A discussion of which items should be continued was underway at presstime.

The cataloger closed one of its showrooms, a unit in Troy, N.Y., two months ago as part of its effort to return to profitability. That closing, in addition to the shuttering of the Utica store, leaves Boardman with 11 showrooms. During the past year, 56 employees have been laid off.

The company is reported to have over $1 million at its disposal—sufficient capital to take Boardman through the spring and summer seasons, said Pastore.

QUIZ

The DSN Quiz, testing your knowledge of news and trends in discount retailing covered in the last two issues, will appear on this page monthly. Check your answers with the key on page 94.

1. In which of the following regions is Target seeking to expand:
a) Southern Florida;
b) Northern California;
c) Western Pennsylvania.

2. The leading girls' wear fashion items according to discount apparel buyers are:
a) harem pants;
b) fleecewear;
c) striped cotton dresses.

3. Emerging as the most promising category in ethnic H&BA is:
a) hair straighteners;
b) hair colorings;
c) moisturizing creams.

4. Electronic retailer Comp-U-Card intends to add which expansion program to its merchandising and information services:
a) insurance;
b) real estate;
c) stocks.

5. Which chain received coverage from newspapers like USA Today for its pre-Christmas marathon that kept all of its stores open around the clock from Dec. 1 through Christmas:
a) Zayre;
b) Wal-Mart;
c) ShopKo.

6. This man has resigned as chairman and chief executive officer of the company that he founded 30 years ago, Consumers Distributing (Canada):
a) Jack Stupp;
b) Michael Haberman;
c) Everett Purdy.

7. In which two United States markets is K mart planning to open general merchandise test stores:
a) Baltimore and Troy, Mich.;
b) Rochester/Syracuse, N.Y., and Detroit;
c) Dallas/Ft. Worth and Pittsburgh.

8. The strongest sellers in consumer electronics for 1986 are projected to be:
a) car audio equipment and prerecorded tapes;
b) compact disc players and blank video tapes;
c) color televisions and VCRs.

9. What consumer electronics retailer has recently closed 15 stores in New York City?
a) Crazy Eddie;
b) Lafayette/Circuit City;
c) Pacific Stereo.

10. What company has purchased 20 stores from a supermarket chain in North and South Carolina with intentions to convert the units into closeout stores?
a) Price Club;
b) Marshalls;
c) Consolidated Stores.

Large-Size Volume to Continue

Large-size women's apparel sales are expected to continue increasing for at least another three to five years, merchandisers say. Offering more fashion-oriented styling and colorations is part of the equation for tapping more of that business at chains. Ads like this one from Roses, featuring large-size models, are important too. See story page 11.

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SOFT LINES

Large-Size Customer Wants Quality and Fashion

ENCINO, Calif. — A recent poll of women who wear large size apparel clearly supports most retailers' current thinking that this customer values well-made, fashionable clothing.

The large-size customer, the study said, weighs styling and quality over price in most cases and most often prefers a separate department for full-figure clothing. She wants to see the large-size clothing displayed on full-figure models.

What's more, the survey of women who subscribe to *Big Beautiful Woman* magazine, published here, reveals that, even within a fairly affluent sample group, mass merchandisers such as K mart and Sears are competitive, with 44% shopping those chains within the past month. Off-pricers who specialize in large size women's apparel had been shopped by an impressive 36% of those polled.

The questionnaire for the poll of large size women conducted last fall by *BBW* was developed with input from K mart. Although the respondents were predominantly affluent and professional, K mart merchandisers say they found the results helpful in tracking that shopper.

Of the 329 women who returned completed forms, 34% had a family income of under $25,000 and 46% were in the $25,000 to $50,000 range. About 75% of the women were aged 25 to 44 years, 80% work and 40% classified their jobs as managerial/ professional.

The majority—57%—had shopped for nonfood products at least five or six times in the month before the survey. On the average, those polled visited a K mart twice a month, an off-price large size specialty store 2.2 times, a regular off-price store 1.8 times, a department store 2.7 times and J.C. Penney 1.8 times.

Interestingly, an overwhelming 78% had ordered apparel through a catalog during the past six months.

Although price ranked as the third factor in the buying decision for everything except jeans and tops, the women expect moderate price points.

Respondents were asked to specify a reasonable (lower limit) price for apparel items.

- For shorts, close to 40% said $10 to $15 would be the most reasonable price and another 19% said under $10.
- For blouses, 25% found $20 to $25 reasonable and another 22%, $15 to $20.
- In pants, respondents favored two price points, with 29% picking the $15 to $20 range and another 29% choosing the $20 to $25 range.
- In sweaters, the answers were more varied. Almost equal percentages (16% to 20%) of the women called prices ranging from $15 to $35 reasonable for a sweater.
- In skirts, 25% cited $20 to $25 as a reasonable price point with almost as many (22%) picking the $15 to $20 range.
- In the dress area, 19% said $30 to $35 is reasonable. Another 20% expect $20 to $30 price points.

The poll revealed that about 60% of the large-size women prefer a separate large-size department. Another 30% wanted the larger sizes included in regular sections.

Full-Figure (44%), Plus Sizes (36%) and Women's Sizes (32%) were favored as department names. Only 15% said they would prefer Large-Sizes and only 7% gave Half-Sizes as a possible label.

When asked what stores should do differently with this clothing, 25% said they wanted stores to provide knowledgeable sales help; 21% said stores should hire full-figure clerks; 20% said retailers improve selection; 15% said they looked for improved styling and 14% said retailers should carry a wider range of sizes.

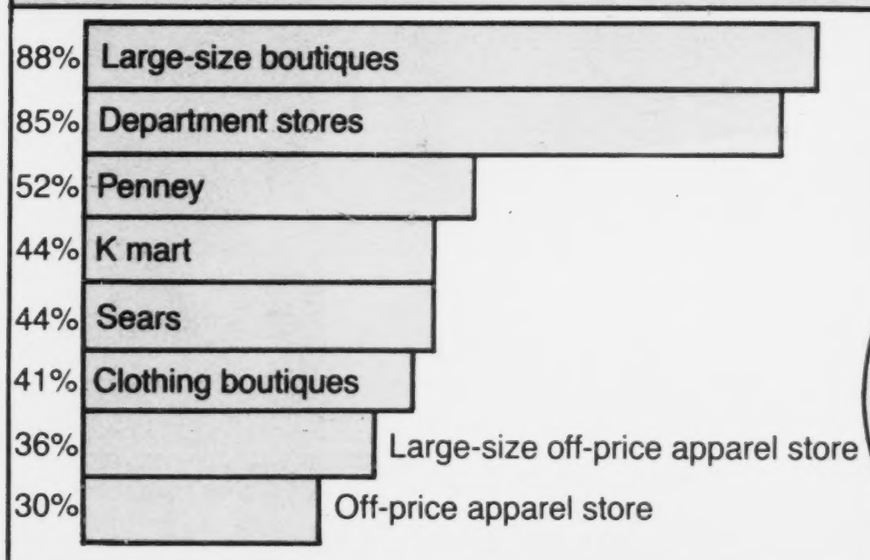
Large-Size Women Pick Two Most Important Factors (Besides Fit) in Buying Decision

Item	Styling	Quality	Price	Selection	Brands	Other*
Dresses	87%	57%	35%	15%	1%	5%
Blouses	83	53	31	27	1	4
Skirts	77	44	32	28	1	18
Sweaters	74	57	33	27	1	7
Tops	73	34	49	36	1	7
Suits	71	64	32	12	2	18
Coats	66	67	43	17	0	6
Slacks	65	51	38	29	3	13
Activewear	63	44	42	32	2	15
Lingerie	59	56	31	42	7	5
Jeans	51	36	48	25	13	25

*Includes Don't wear/Don't Buy, No responses and other responses.

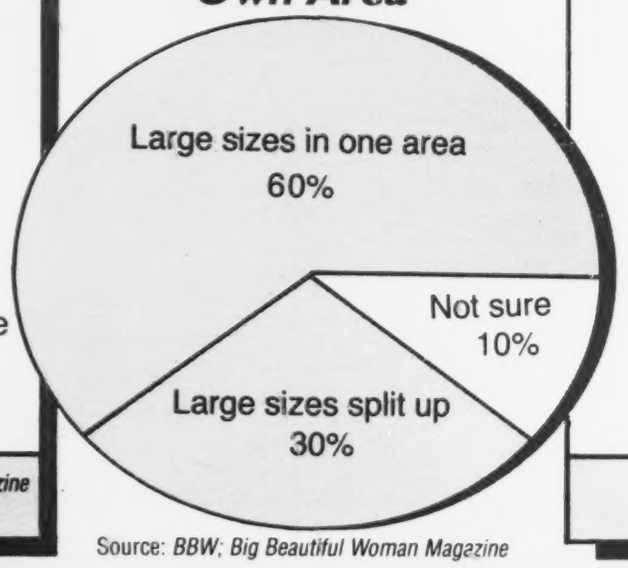
Source: *BBW; Big Beautiful Woman Magazine*

Past Month Shopping by Retail Outlet



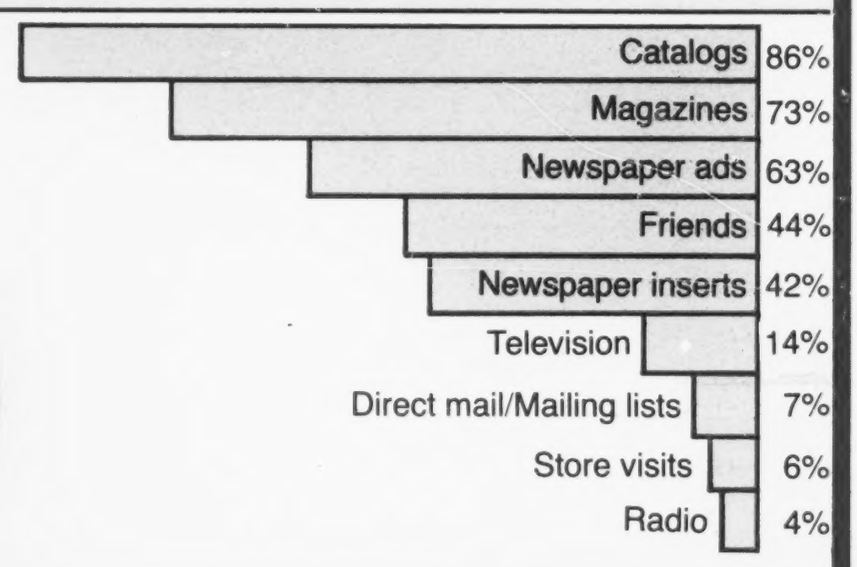
Source: *BBW; Big Beautiful Woman Magazine*

Most Women Polled Prefer Their Own Area



Source: *BBW; Big Beautiful Woman Magazine*

Sources Women Use to Keep Informed of Large Sizes



Source: *BBW; Big Beautiful Woman Magazine*

Chain Competition Heats Up for Share of Large-Size Market

(Continued from page 11)

that said 'also available in large sizes,'" she explained.

At Fisher's Big Wheel, buyer Kevin Kuin took on the task of developing large sizes last May. He reports that since last spring, the chains large-size sales have been about 30% ahead.

"Since I came out of junior and misses, I didn't have a set idea of large-size styles. I bought many of the same items translated into larger sizes," he said. Adding fashion to many standard items in the department has added about $2 to the price of those items.

Current strong sellers at Fisher's include a duster-length, all-cotton sheeting jacket that retails for $21.97.

"I see that attitudes have changed," said Christine Bittner, who buys large-size sportswear at Gemco. "Even at Lane Bryant, there used to be all dark colors. Now chains are using fashion colors and natural fibers. Large size no longer has to take a back seat."

Bittner last year took on the task of building a fashion-oriented large-size business. Her chain, however, had been out of the business for five years. In the fall, the chain introduced departments averaging 600 sq. ft.

This year, polo shirts are the "mainstay" of the section, tank tops, mock sets, poly/cotton interlock pants and jackets in sheeting or fleece are selling well. For fall, the fashion statement in large sizes will be heavily fleece with London (30-in. long) sweaters in brights and jacquards as a new item.

Discount merchandisers agree that increased fashion is the way to build large-apparel sales,but they differ on how they assign the actual buying. K mart is unique in having a separate division. Bittner buys all large-size sportswear for Gemco. Fisher's Kuin is responsible for juniors and misses' tops, swimwear and large-size sportswear. At Nichols, vp, gmm softlines Edward Dennenberg thinks that tagging the large-sizes onto a buyer's classification is the best way to go.

"Who's better at picking styles than a specialist in blouses or pants," he said. At his chain, the buyers meet for special large-size clinics to coordinate their approaches. he added. The chain carries sportswear, coats and dresses in a large-size department. Larger-size lingerie, bras and panties are stocked with regular sizes.

Nichols chalked up double-digit gains in large sizes last year. "Last year was not a great one, but large sizes still grew 10% to 15%," he added.

Wal-Mart is courting the full-figure woman by featuring large-size models in ads. This spring it devoted a half-page of its circular to plus size apparel.

PRODUCT MOVEMENT AUDIT: HOUSEWARES

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Ekco 64110 Baker's Cookie Sheet	7,672	4.40	33,756.80
2	Ekco 64330 Bakers DB Cake Pan	6,626	3.95	26,172.70
3	Ekco 64100 Bakers Cookie Sheet	6,251	3.95	24,691.45
4	Wear-Ever 26032 Chef Fry Pan 12"	2,072	11.69	24,221.68
5	Wear-Ever 26030 Saute Silverstone 10"	2,425	8.99	21,800.75
6	Ekco 64260 Bakers Roast/Bake	3,782	5.39	20,384.98
7	Ekco 64200 Bakers 12 cup Muffin	4,216	4.76	20,068.16
8	Wear-Ever 26028 Saute Pan 8" Silverstone	2,780	6.29	17,486.20
9	Normandy 312G Saucepot 12 qt. Bone	1,064	15.11	16,077.04
10	Ekco 64080 Bakers Cookie Sheet	4,414	3.23	14,257.22
11	Wear-Ever 46032 Chef Fry 12" Silverstone	931	14.84	13,816.04
12	Wear-Ever 26014 Sq Grddl 10" Slvrstone	1,252	10.79	13,509.08
13	Nordic 64634 Nordic Sizzl Skillet	294	40.49	11,904.06
14	Wear-Ever 46030 Chef Fry 10" Silverstone	929	12.59	11,696.11
15	Wear-Ever 46014 Sq Griddle Silverstone	906	12.59	11,406.54
16	Foley 38279 Saute Pan 12"	1,260	8.99	11,327.40
17	Ekco 54110 Cookie Sheet	4,018	2.69	10,808.42
18	Foley 38079 Saute Pan 10"	1,448	7.19	10,411.12
19	Enterprise Alum 701209 Dble Grddl	472	21.86	10,317.92
20	Wear-Ever 46028 Chf Fry 8" Slvrstone	1,136	8.99	10,212.64

PLASTICS

1	Tucker 3216 Storage Bin 3-pc choc	346	22.85	7,906.10
2	Tucker 3216 Storage Bin 3-pc alm	333	22.85	7,609.05
3	Eagle E2757 Juice Decanter Clr 2 qt	3,258	2.06	6,711.48
4	Tucker T334 Trash Can 22 gal	566	8.99	5,088.34
5	Cleary 720 Spacemaker Bin Asst	4,642	1.07	4,966.94
6	Schulte 1248W Shelf 12x48	344	14.39	4,950.16
7	Schulte 1236W Shelf 12x36	384	11.69	4,488.96
8	Tucker 832 Trash barrel 32-gal rnd	276	16.19	4,466.44
9	Aristo-Mat CS53D Decor Cutting Board	654	6.29	4,113.66
10	Vanderbilt 751 Nylon Baster	3,253	1.25	4,066.25
11	Tucker 830 Trask Barrel rect 30 gal	246	16.19	3,982.74
12	Eagle E2755 Juice Decanter clr 1 qt	2,771	1.43	3,962.53
13	Beacon L85 Paper Towel Holder	1,818	2.06	3,745.08
14	Schulte 312 3-Shelf Rack 12-22	394	9.44	3,719.36
15	Eagle E7436 Freezer Box 3 pk 36 oz	1,026	3.50	3,591.00
16	Foley 25368 Nylon Spatula Ast	3,959	0.89	3,523.51
17	Sterlite 865 Butter Dish alm/choc	2,912	1.16	3,377.92
18	Cleary 721 Mini Spacemaker bin	4,636	0.71	3,291.56
19	Jareen 60120 Polar Pak Asst. 5 gal	1,214	2.69	3,265.66
20	Jareen 60130 Polar Pak Asst 3.5 qt	907	3.59	3,256.13

RUBBERMAID

1	6032 Drainer alm	3,091	6.74	20,833.34
2	2965 Laundry Bskt alm	3,392	5.93	20,114.56
3	2965 Laundry Bskt choc	3,187	5.93	18,898.91
4	0450 Bath mat white	4,091	3.86	15,791.26
5	0450 Bath mat lt blue	3,874	3.86	14,953.64
6	2965 Laundry Bskt slate bl	2,447	5.93	14,510.71
7	2951 Dishpan alm	4,117	3.32	13,668.44
8	6008 Drainer alm	2,220	5.84	12,964.80
9	6032 Dish Drainer slate bl	1,897	6.74	12,785.78
10	6032 Dish Drainer choc	1,762	6.74	11,875.88
11	2951 Dish Pan choc	3,531	3.32	11,722.92
12	6008 Dish Drainer blue	1,994	5.84	11,644.96
13	2858 Step-on Wbasket choc	876	13.13	11,501.88
14	2894 Ruffneck 32-gal cont	475	23.84	11,324.00
15	2858 Step-on Wbasket alm	861	13.13	11,304.93
16	3880 Serv/Sav lcp Cylndral	10,974	0.98	10,754.52
17	2965 Laundry Basket tr cot	1,815	5.93	10,762.95
18	8334 Spatula set	6,531	1.61	10,514.91
19	1181 Drain Tray alm	2,263	4.49	10,160.87
20	2864 Fliptop Basket choc	1,179	8.54	10,068.66

TABLETOP

1	Corelle 5016-73 Nat Img 16-pc calic	594	42.29	25,120.26
2	Corelle 220-453 Normandy 20 pc	528	42.20	22,281.60
3	Corelle 220-451 Peach Garland 20 pc	456	42.20	19,243.20
4	Corelle 5016-74 Nat Img 16 pc	430	42.29	18,184.70
5	Corelle 116-95 Colonial set 16 pc	551	32.84	18,094.84
6	Corelle 5016-76 Nat Img 16-pc lace	394	42.29	16,662.26
7	Corelle 116-25 Solitary set 16 pc	487	32.84	15,993.08
8	Corelle 116-24 Burgundy set 16 pc	471	32.84	15,467.64
9	Corelle 320-81 Royal Garden 20 pc	258	57.05	14,718.90
10	Corelle 116-4 Butter Gold set 16 pc	432	32.84	14,186.88
11	Corelle 116-23 Morning Bl set 16 pc	415	32.84	13,628.60
12	Corelle 320-92 Spring Pond 20 pc	234	57.05	13,349.70
13	Corelle 320-82 China Blossom 20 pc	232	57.05	13,235.60
14	Corelle 220-452 Rose Trellis 20 pc	194	42.20	8,186.80
15	Corelle 418N Corelle Bowl wh	501	12.59	6,307.59
16	Corelle 116-38 Melody set 16 pc	186	32.84	6,108.24
17	Corelle 166-5 Old Town set	174	32.84	5,714.16
18	Corelle 106 Corelle Sm Plate wh	483	11.15	5,385.45
19	Corelle 108 Corelle M Plate wh	405	11.69	4,734.45
20	Corelle 108-23 Corelle M Plate wh	379	11.69	4,430.51

GLASSWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Libbey 82486D Bolero Blue 24 pc	1,942	19.79	38,432.18
2	Libbey 82486T Bolero Tawny 24 pc	1,130	19.79	22,362.70
3	Libbey 82437D Count Squire 24 pc	452	35.45	16,023.40
4	Anchor PM486/TI Divided Dish w/cover	1,337	7.91	10,575.67
5	Anchor 1300/44 Moments 24 pc	374	26.99	10,094.26
6	Anchor 3600/672A Entertainer set 40 pc	252	33.29	8,389.08
7	Libbey 82430K Go Cntry Gdn 24 pc	320	26.09	8,348.80
8	Libbey 81848 Symmetry 18 pc	398	20.24	8,055.52
9	Anchor 4523 Wexford Butter/cov	3,558	2.24	7,969.92
10	Libbey 81837K Capri set Gold 18 pc	468	15.29	7,155.72
11	Libbey 82443 Impromptu Cry 24 pc	283	20.69	5,855.27
12	Libbey 214T Monarch bev 4 pk	1,044	4.94	5,157.36
13	Libbey 0476 Tulip Grande 9 oz	1,381	3.59	4,957.79
14	Anchor PM 498/TI Fluted Cake w/con	588	7.91	4,651.08
15	Libbey 219 T Monarch Cool 4 pk	834	5.57	4,645.38
16	Anchor 4553E Wexford Sugar Cover	2,232	2.06	4,597.92
17	Anchor 2100/103 Tempo Set 18 pc	476	9.44	4,493.44
18	Libbey 379T Tawny Cooler 4 pk	996	4.49	4,472.04
19	Libbey 85M Apoth Jar	1,428	2.96	4,226.88
20	Libbey 8795 NAPA Flute 6 oz	528	7.73	4,081.44

MICROWAVE

1	Nordic 62304 Micro-go-Round	1,923	44.99	86,515.77
2	Rubbermaid 8527 Micro set 7 pc	1,200	28.79	34,548.00
3	Anchor PM400/126 MWave Corn Popper	1,426	14.39	20,520.14
4	Anchor PM469/TI MWave Bacon Rack	2,489	7.91	19,687.99
5	Corning MW 116 Microwave 5-pc set	632	29.96	18,934.72
6	Corning MWA10 Cov Browning Skillet	704	25.19	17,733.76
7	Corning MW2 Microwave Grill	702	24.74	17,367.48
8	Anchor PM481/TI MWave Versatility	2,060	7.91	16,294.60
9	Rubbermaid 5505 Micro Divided Platete	2,214	6.11	13,527.54
10	Anchor PM400/155 MWave 5-pc Petite	438	28.79	12,610.02
11	Rubbermaid 9524 Micro Sm Entree Plate	1,694	6.11	10,350.34
12	Anchor PM499/TI MW All Purpose Rack	1,246	7.91	9,855.86
13	Rubbermaid 5519 Micro Bacon Rack Sh	1,580	6.11	9,653.86
14	Rubbermaid 9528 Micro Cond Bowls 2 pc	1,480	6.11	9,042.80
15	Anchor PM 447/TI MWave Muffin Tin	1,137	7.91	8,993.67
16	Anchor PM 444/TI MWave Cookie Sheet	1,005	7.91	7,949.55
17	Corning MW98 Cvd Browning Skillet	360	19.34	6,962.40
18	Corning MW-11 Micro Browning Grill	350	16.19	5,666.50
19	Anchor PM 410/TI MWave Roast Rack	664	7.19	4,774.16
20	Anchor PM 480/TI MWave 4-qt Sim Cook	226	14.39	3,252.14

PYREX

1	233 Utility Dish	3,031	7.19	21,792.89
2	234/4 Org Obl Bake Dish	2,156	8.99	19,382.44
3	516 Org Measure cup	5,260	3.57	18,778.20
4	210/6 Org 10" Pie Plate	4,332	3.41	14,772.12
5	463D Custard cup	3,173	3.95	12,533.35
6	1216-M 4-pc Starter set	681	17.45	11,883.45
7	508 Org Measure cup	4,391	2.69	11,811.79
8	233M 3-qt Rect Baking Dish	1,578	7.46	11,771.88
9	440-95 4-pc Bowl set colon	537	19.79	10,627.23
10	232 Utility Dish	1,613	6.29	10,145.77
11	6230F Cov Cass & Bskt Fsid	956	10.52	10,057.12
12	684M 2-qt Bake Dish & Bskt	1,405	6.83	9,596.15
13	2320F 2-qt Bake Dish & Bskt	822	11.60	9,535.20
14	222 Org Cake Dish Square	1,892	5.03	9,516.76
15	464D Deep Pie Dish	1,750	5.39	9,432.50
16	300-95 3-pc Bowl set colonl	608	14.39	8,749.12
17	213 Loaf Dish	2,317	3.77	8,735.09
18	532 Org Measure Cup	1,819	4.67	8,494.73
19	687M 3-qt Cov Casserole	905	9.35	8,461.75
20	1215 Bakers Choice set	716	11.60	8,305.60

CORNING

1	V20 Visions Cov Dbl Boiler	719	26.99	19,405.81
2	V5 Visions 5-qt Cov Saucepan	682	26.54	18,100.28
3	V1 Visions 1-qt Cov Saucepan	1,060	15.74	16,684.40
4	V31/25T 3.5-qt Cov Steam	619	25.19	15,592.61
5	V300 Visions 6-pc Span set	296	49.49	14,649.04
6	V2 Visions 2½-qt spa	570	21.59	12,306.30
7	V360 Visions 6-pc set	210	55.34	11,621.40
8	F260 French White 3-pc set	314	30.14	9,463.96
9	V10H VNS Skillet 10"/hang	504	17.09	8,613.36
10	V6H VNS Skillet 7"/hang	861	9.89	8,515.29
11	F330 4-pc F white set	169	49.49	8,363.81
12	F2 Fr White 2.5-qt Ov Cov Cass	398	20.96	8,342.08
13	A33-P Trio Set cornflower	292	26.99	7,881.08
14	F1 Fre White 2.5-qt Cov Cass	354	20.96	7,419.84
15	P100 Minuette set 3 pc	256	25.91	6,632.96
16	F21 Fr Wh 4.5-qt Open Roast	220	27.26	5,997.20
17	C15 Sm Counter Saver wh	355	15.11	5,364.05
18	P104-8 Spice T Pot	281	18.89	5,308.09
19	MC4 2.5-qt Oval Dish	349	14.39	5,022.11
20	V7 Visions 1.5-pt S Pan	405	12.32	4,989.60

(Continued on page 70)

Discounters To Add Basic Housewares

By Harold Rubin
President
HalMar Distributors

Discounters' strongest strategy for the back half of the year will be to increase turns in basic assortments, in anticipation of 5% to 7% sales gains.

They will continue to take a very promotional posture in some categories, like small plastics and microwave cookware, to build traffic for the back half. To balance that and make the bottom line dollars, though, they'll be focusing on increasing turns by replenishing basic stock by rate of sale.

Last fall, retailers invested so many dollars in promotional goods, they didn't pay as much attention as they should have to the basic business. This spring, too, there's been quite a few opportunities around for special purchasing.

Heavy Competition

Competition between manufacturers has stepped up sharply as many of these companies, especially in the cookware and glassware industry, have merged with each other. This gives each retailer the opportunity to negotiate its own situation.

Still, buyers will insist on being in stock in basics on a continuous basis. They'll be looking for short-term vendors and short-lead-time vendors that will make sure of this.

I also think with the price of oil dropping, consumers will have much more disposable income, and this is giving retailers an optimistic outlook.

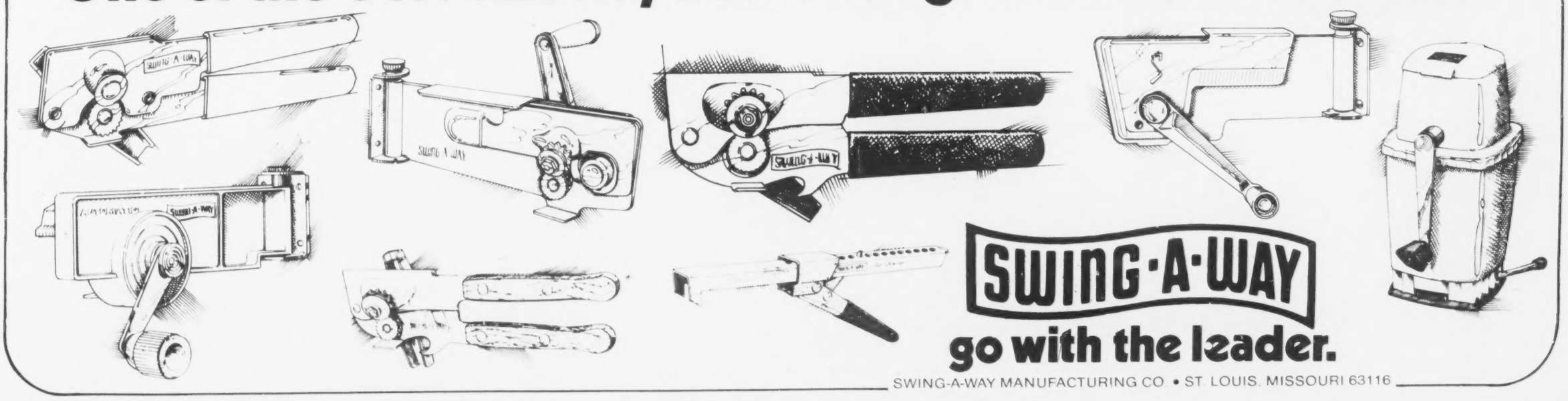
For the second half of this year, retailers can expect to see a lot of new product introductions, especially in cookware.

Several vendors have introduced colored cookware, and I think we'll see more of that at the housewares show.

Nonstick cookware is also finding a niche in the market-

(Continued on page 70)

One of the best-known, best-selling brands in housewares.



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